

## 2004 Alternative Fuel Vehicle (AFV) Credit

### Phone Numbers

If you have questions, please call one of the following numbers:

Phoenix	(602) 255-3381
From area codes 520 & 928 toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
From area codes 520 & 928 toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
From area codes 520 & 928 toll-free	(800) 397-0256

You may also visit our web site at: **www.azdor.gov**

### Use of This Form

Use this form to do the following.

- Figure how much of an AFV credit carryover you have available from the 1999 taxable year.
- Figure any recapture of an AFV credit.

***Do not use Form 313 to claim a credit carryover for a neighborhood electric vehicle (NEV). If you are claiming a credit carryover for a NEV, use Form 328.***

### Line-by-Line Instructions

Enter the names and taxpayer identification numbers (TIN) as shown on Form 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X, or 165.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal employer identification number. Paid tax preparers must also include their TIN on forms where requested. Taxpayers and paid preparers who fail to include the preparer TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly.

### Part I - Available Credit Carryover From Taxable Year 1999

#### Lines 1a through 1c -

Use lines 1a through 1c to figure your total available credit carryover from taxable year 1999. Complete lines 1a through 1c only if you claimed an AFV credit on your 1999 return and the credit was more than your tax.

On line 1a, enter the credit originally computed for 1999. On line 1b, enter the amount of the credit from 1999 which you have already used. Subtract the amount on line 1b from the amount on line 1a. Enter the difference on line 1c.

Corporations and S corporations that elect to take the credit also enter the amount on line 1c on Arizona Form 300, Part I, line 8.

Individuals also enter the amount on line 1c on Arizona Form 301, Part I, line 10.

**NOTE Individuals Only:** *If you are married, and you and your spouse file a separate return, you may each take only one-half of the total credit that would otherwise be allowed on a joint return.*

### Part II - Credit Recapture Computation

#### Lines 2 through 8 -

The department is required to disallow the credit or to recapture the credit if any of the following occur:

- The taxpayer transfers the vehicle to any person, other than a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer, within 36 months after the initial registration of the vehicle as an AFV. The recapture will not apply if the vehicle is transferred because the vehicle is demolished or if the taxpayer dies before the end of the 36-month period.
- The vehicle is registered in Arizona for less than 36 months.
- If a bi-fuel vehicle that operates on liquefied petroleum gas does not use liquefied petroleum gas for at least 50% of the fuel used in the vehicle for the first 12 months, at least 50% during months 13 through 24, and at least 50% during months 25 through 36.
- If a bi-fuel vehicle that operates on CNG does not use CNG for at least 25% of the fuel used in the vehicle for the first 12 months, at least 33 1/3% during months 13 through 24, and at least 50% during months 25 through 36.
- The vehicle fails to comply with the emissions inspection requirements for alternative fuel vehicles prescribed in Arizona Revised Statutes, Title 49, Chapter 3, Article 5.

If any of the above occurs, the department must calculate the recapture as follows:

- If the date of the event that causes the recapture is within the first full year after the vehicle is placed in service, 100%.
- If the date of the event that causes the recapture is within the second full year after the vehicle is placed in service, 66 2/3%.
- If the date of the event that causes the recapture is within the third full year after the vehicle is placed in service, 33 1/3%.

Complete lines 2 through 8 as instructed on the form.

### Part III - Lessor/Lessee Information Applicable to the Recapture

#### Lines 9 through 16 -

If a credit that is subject to recapture was shared by a lessor and a lessee, then either the lessor or the lessee must

complete Part III to let the other party know their share of the credit recapture.

Complete lines 9 through 16 as instructed on the form.

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### **Part IV - S Corporation Shareholder Information Applicable to the Recapture**

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#### **Lines 17a through 17c -**

If the credit was passed through from an S corporation to its shareholders, the S corporation must provide each shareholder with information concerning the shareholder's pro rata share of the credit recapture. The S corporation must complete Part IV, lines 17a through 17c separately for each shareholder. The shareholder must complete Part VI (line 19).

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### **Part V - Partnership Partner Information Applicable to the Recapture**

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#### **Lines 18a through 18c -**

If the credit was passed through from a partnership to its partners, the partnership must provide each partner with information concerning the partner's pro rata share of the credit recapture. The partnership must complete Part V, lines 18a through 18c separately for each partner. The partner must complete Part VI (line 19).

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### **Part VI - All Taxpayers Subject to the Recapture**

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#### **Line 19 -**

Complete line 19 as instructed on the form.

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#### **Equitable Relief**

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If the taxpayer transfers the vehicle to any person, other than a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer, within 36 months after the initial registration of the vehicle or if the vehicle is registered in Arizona for less than 36 months, or fails to meet the fuel usage or emission requirements, the taxpayer may be eligible for equitable relief if both of the following apply:

1. The taxpayer was unable to meet the above requirements due to circumstances that would make the requirement unfair or inequitable to the taxpayer; and
2. The taxpayer acted in good faith and intended to primarily propel the vehicle with alternative fuel.

See Department of Revenue general tax procedure, GTP 01-02 for more information about equitable relief.

Use Form AFV-RR, *Request for Relief From Alternative Fuel Vehicle Requirements*, to apply for equitable relief.